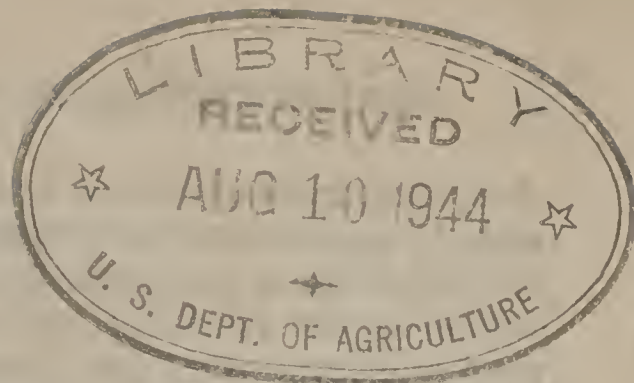


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REPORT OF THE DIRECTOR OF THE OFFICE OF FOREIGN AGRICULTURAL RELATIONS, 1941

UNITED STATES DEPARTMENT OF AGRICULTURE,
OFFICE OF FOREIGN AGRICULTURAL RELATIONS,
Washington, D. C., September 30, 1941.

HON. CLAUDE R. WICKARD,
Secretary of Agriculture.

DEAR MR. SECRETARY: I present herewith the report of the Office of Foreign Agricultural Relations for the fiscal year ended June 30, 1941.

Sincerely yours,

L. A. WHEELER, *Director.*

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INTRODUCTION

As the war in Europe enters its third year, the situation of world agriculture in wartime has become clearer. Germany has extended her control from France to the Central Ukraine, the Union of Soviet Socialist Republics is resisting German aggression, and the United States is throwing its full economic power into a National Defense Program and aid to Britain and her allies.

World trade in agricultural products today bears little resemblance to the trade carried on before September 1939. On the one hand, food has become a critical need of every nation at war; and in none of the warring or occupied countries are supplies of food or other agricultural products maintained at pre-war levels. On the other hand, many of the nations still at peace are faced with curtailed export markets and surpluses of certain crops larger than at any time in the history of the world. In the importing countries there has been a change from pre-war patterns of consumption—substitutions as well as actual curtailment. In exporting countries the pressure of surpluses, together with new demands brought about by the war, is causing a change in the patterns of production.

EFFECTS OF THE LEND-LEASE ACT

From the viewpoint of farmers in the United States, the outstanding development of the past fiscal year was the passage of the Lend-Lease

Act, under which food, munitions, and other supplies are made available to nations resisting aggression. So far foodstuff shipments under the lend-lease program have been entirely to the United Kingdom, which is far from self-sufficient and must rely from month to month on foods imported from many sources. The war has cut off imports of many foods from the continent of Europe. At the same time, a shortage of shipping space has placed severe limitations on imports from the Western Hemisphere, Oceania, and the Orient. So long as this shortage exists the United Kingdom must obtain from every ton of available shipping space the maximum strategic value, for not only food but materials of war as well must come across the seas.

American agriculture is therefore being called upon to provide for shipment to the United Kingdom many of the foods which once came from the continent of Europe and distant sources of supply, and to provide them in the most concentrated form. Since April 1941 supplies of dried eggs, condensed milk, powdered milk, cheese, dried fruits, soybeans and soybean flour, dried and canned beans, pork, and other items, together with some amounts of cotton and tobacco, have been moving to the United Kingdom at a rate increasing every month.

Most of these were formerly minor items in our export trade, and the supplies normally produced were inadequate to meet lend-lease requirements, together with the rapidly rising domestic demand. The Department of Agriculture has therefore initiated a production program with goals higher than those ever attained previously.

Chiefly because of lend-lease shipments, our agricultural exports experienced a rapid rise during the year. In January 1941 exports were moving at the rate of only 240 million dollars per year, less than a third of the average for the 5 years preceding the war, which was also a depressed period. Total exports for the fiscal year ended June 30, 1941, were valued at 350 million dollars, the lowest since 1871-2.

In June 1941, however, the rate of exports had risen to 740 million dollars a year, close to the average for the 1930's. This was not a recovery in normal trade, and it affords little basis for forecasting the future. Lend-lease aid is the dominant factor, as is shown by the rising proportion of exports to the United Kingdom. Normally the United Kingdom takes only about one-third of our agricultural exports, but during the fiscal year 1941-42 the proportion may be as much as two-thirds of the total.

THE WAR AND AGRICULTURAL WORLD TRADE

A substantial part of the rise in value during 1940-41 was due to higher prices rather than larger quantities of agricultural commodities. By June the value of exports had risen 111 percent over the average for the fiscal year, but the quantity index of exports had risen only 64 percent.

Exports to the Far East have declined. From 1934 to 1936 our exports were chiefly to Japan, and Japan and China together took about 10 million dollars' worth of farm exports monthly from the United States, mainly in cotton. In 1938 the monthly average was \$6,000,000, but by 1940 the total had dropped to \$2,300,000, and China took almost half of that. Japanese policy has been to replace the United States as a source of cotton in favor of nearby sources. Our own high cotton prices also have restricted Japanese purchases of this

commodity, which in recent years constituted over 90 percent of that country's total imports from the United States.

While the market in Latin America has shown some tendency to expand, it cannot be expected to provide an outlet for our cotton, grain, tobacco, pork, and fruit producers of an order equal to our former European and Asiatic markets.

Thus the war has affected exports of our normal export crops adversely. Shipments of United States wheat and flour to foreign nations during 1940-41 amounted to only 34 million bushels, less than at any time in recent history except the drought years from 1933 to 1937. Cotton and tobacco exports in 1940-41 slumped even more sharply, cotton to 1 million bales and tobacco to approximately 163 million pounds, which in both cases are the smallest since the Civil War. Exports of apples and pears amounted to only about 10 and 15 percent of the pre-war normal movement; shipments of oranges, grapefruit, and lemons were fairly well maintained by continuing exports to Canada, but totals were below normal. The domestic market for agricultural products has improved through the influence of the National Defense Program on consumer buying power, but for cotton, tobacco, wheat, and fresh fruit the gain at home has not been equal to the losses abroad.

There were few significant changes in our agricultural imports. Figures during the first months of 1941 were slightly above those for 1940 but not greatly different from the average of the past few years. There is, of course, a tendency for such imports to increase during periods of rising business activity.

We are, so far as our agricultural trade is concerned, operating under conditions dictated by the necessities of war and our foreign policy. As in the last war, agriculture in the United States is being called upon to increase production, but this time, fortunately, the increases will be in animal products. In the first World War the allies had access to Scandinavia, the Netherlands, and a large part of the Mediterranean, and the United States was called upon for large amounts of wheat and other staples. The production increases required today are encouraging a shift in acreage away from the export crops, and when the war ends we shall undoubtedly have a much larger proportion of our agricultural plant producing what were formerly non-export commodities, such as dairy products, poultry, and eggs.

Developments on the food front during the year were generally favorable to the democracies, and their situation is relatively better today than that of the Axis. Shipments of food to the United Kingdom have been mounting month by month. The foods being shipped are those which sustain health as well as life.

On the other hand, reports from the continent of Europe indicate that a fairly severe food crisis may occur in 1942-43. In Germany the situation is bad, but not yet so bad as during the latter part of the first World War. There is strict rationing, and many substitutes are in use, but the population, especially the army and other strategic groups, is fairly adequately fed.

But it seems probable that Germany's level of supply has been maintained in part by pillaging the nations which she has successively occupied, and in most of the occupied areas the situation is bad and threatens to become much worse. Considerable quantities of food-

stuffs have been taken away from these countries, in addition to which Germany has quartered in them large forces of occupation, which have first claim upon their food supply. Further, several of the countries which Germany has occupied are not normally self-sufficient in the basic items of diet.

There has been relatively little destruction in agricultural regions during this war, but there has been considerable loss of production nevertheless. Severe labor shortages in certain areas have hampered both planting and harvesting. Herds and flocks have been substantially reduced almost everywhere. The fishing industry of the maritime nations has been restricted by edict. Farm machinery is deteriorating without replacement, and many farm animals have been requisitioned for military use. Supplies of petroleum products are extremely limited, and all forms of transportation show signs of deteriorating below the level of efficient operation.

POST-WAR PLANS FOR WORLD AGRICULTURE

This is not the place to speculate on the outcome of the war. But there is only one basis on which we can plan constructively: A victory of the democracies. Assuming such a victory, it is not too early now to begin thinking about the situation agriculture in this country and the rest of the world will face when the war ends, and to begin planning the steps that must be taken if the immediate post-war period is to be one of orderly reconstruction. Agriculture in the United States ought to be ready for the transition from wartime operations to the requirements of the immediate post-war period and the kind of world trade we may expect to have in the future.

There can be little doubt but that there will be a severe food shortage in central Europe when the war ends. If large-scale starvation is to be prevented, the nations of the world, in the first instance the United States and the United Kingdom, must establish machinery of relief which can quickly mobilize food reserves and distribute them where they are most needed. This period of relief will provide us with a means of tapering off our shipments of those products which we do not normally export when lend-lease shipments stop.

We have a definite interest in agricultural reconstruction within the war-stricken areas. One reason that world wheat trade has declined, for example, is that central European nations have, in the past, sought self-sufficiency in wheat by limiting imports and subsidizing home production, despite the fact that they cannot raise wheat at low cost and the further fact that they are deficient in protective foods, chiefly dairy products. Our aid in agricultural reconstruction and in relief will be a worth-while investment if we can thus help European agriculture to produce more of the things that it can produce to better advantage and that the people of central Europe need and to resume imports of wheat, feed grain, and other staple products from the exporting countries.

We can safely assume that future peacetime exports of agricultural products from the United States will consist principally of the same staple export crops as before the war, for in normal times other countries can well afford to produce and sell most animal products at prices lower than ours. Further, domestic demand for these products

is much more elastic than the demand for wheat and cotton, and we have a better chance of absorbing the production increases at home.

For a time after the war ends, relief needs may exceed commercial demand in agricultural trade. The buying power of many importing countries will be limited, and so will shipping space. For this reason, the surpluses of wheat, cotton, coffee, and other crops that have been piling up in the exporting countries of the world will be a serious danger if they are not regulated. World production of several of these crops exceeded consumption for a number of years before the war, and pre-war surpluses have been increased to dangerous levels by the blockade and other wartime difficulties. If, after the war, these surpluses are thrown on world markets for whatever they will bring, the resulting price collapse may produce disadvantageous market conditions from which it will take years to recover and be a contributing factor to a world economic depression. The United States has large stocks of wheat and cotton, and despite the shift away from these crops during the war, we shall still have, at the war's end, more acres producing them than are needed to meet domestic requirements.

The exploration of methods of international cooperation in regulating trade in surplus commodities was intensified during the past year. The objectives sought are to distribute equitably among exporting nations the available world market, to establish prices fair to exporter and importer alike, to regulate reserve stocks, and to seek such production controls in exporting countries as will adjust world supply to effective world demand.

Considerable progress has been made toward the negotiation of an international wheat agreement, in conferences of the 4 overseas exporters, Argentina, Australia, Canada, and the United States, together with the largest importer, the United Kingdom. During the fiscal year 2 meetings of the International Cotton Committee were held, to continue the work of the International Cotton Meeting which was in session in Washington when the war began. During the year 14 American coffee-producing nations and the United States, the largest coffee importer, signed the Inter-American Coffee Agreement in an effort to stabilize the coffee market, which had been severely affected by the war.

Planning for peace envisages some kind of world organization. Agreements to facilitate and adjust trade in specific commodities, which operate through international machinery set up for the purpose, are a step in that direction. Perhaps one reason for the failure of the last armistice to achieve a better economic adjustment was that too little attention was paid to the problems of world agriculture. Today more emphasis is being placed on international agricultural relations, and constructive planning on a commodity basis is going forward.

Thus we are working on the assumption of a democratic victory to establish trade conditions and relationships consistent with a lasting peace. All the people of the United States are vitally concerned with this, but the farmer has a special concern in plans that may make it possible for him to find abroad reasonably stable markets and prices for his export crops. Adjustments between nations are essential to this. However, if we are to sell our products abroad after this war there are questions of national policy to be settled.

To resume exporting after the war we must also resume importing. Unless we buy from abroad, foreign countries that want to buy from us cannot get the dollar exchange with which to do so. In resuming importing, moreover, we cannot stop at pre-war levels. We cannot continue to have a large "favorable" balance of trade. There will no longer be extensive noncommodity items that we can purchase from abroad. It is true that we may buy services for our tourists, but this will be offset by the other service items. We will own a great merchant fleet and will be in the position, on balance, of selling shipping services instead of buying them as we did before the war. We will be the world's largest creditor nation and will have much more due us for the services of our capital than we had before the war. We will have more gold than we know what to do with and may not be willing to buy more.

The sooner foreign production can be restored and a flow of goods established, the greater the possibility that we can restore exports with some hope of continuing them. The foreign goods may include European manufactures, complementary agricultural products from Latin America, raw materials, and exotic products of all sorts. We are currently encouraging a larger trade within the Americas. After the war, to some extent, we will have to do the same type of thing in all other parts of the world.

A second question of national policy is that of agricultural prices. Our farm programs have had the effect of raising prices of certain of our export crops to levels well above the prices which other exporting nations are ready and willing to accept. After the war, when noncommercial shipments begin to decline, some solution of this price difficulty will have to be found if we are to compete in world markets.

These are serious problems, but they can be solved if the democracies prevail. The alternative to solving them is for the United States to withdraw from world markets for farm products. That would, of course, necessitate substantial changes in our agricultural plant. Further, such economic isolation is hardly consistent with efforts to establish in the post-war world a system of cooperative and constructive relationships between nations, wherein negotiation replaces economic rivalry and destructive competition.

NEW SERVICES PERFORMED BY THE OFFICE OF FOREIGN AGRICULTURAL RELATIONS

In the present world situation the work of the Office of Foreign Agricultural Relations has naturally undergone considerable changes. In time of peace the function of the Office is to inform United States agriculture of trends in export markets and of changes in production of other nations which affect our exports, to represent the Department of Agriculture in international meetings and other relationships seeking to improve our export trade, and to provide information and offer recommendations on imports and import policies. Under war conditions the work of the Office has been concentrated on developments directly related to the National Defense Program.

Representing the Department of Agriculture, the Office is, of course, seeking to promote as much commercial trade as is possible under wartime conditions and to seek improvement of trade relations between the United States and other nations with whom such trade is

possible, chiefly Canada and the other American republics. There has been continued participation in the Reciprocal Trade Agreements program as a part of this effort.

At the same time the Office is acting as the representative of the Department of Agriculture on all matters of foreign agricultural relations linked with the National Defense Program, particularly lend-lease activities. The Office is charged with maintaining liaison between the Department and representatives of foreign governments seeking aid. A member of the Office staff is serving as secretary of the Anglo-American Food Committee.

During the past fiscal year the United States entered into a period of rapid organization for economic defense and virtually all of the activities of the Office of Foreign Agricultural Relations have now a direct relationship to this defense effort. Organizationally, the most striking development in the work of the Office is the number of new relationships with other bureaus and departments of the Government. Agencies which once functioned almost independently must today work together, and the work of older agencies must be coordinated with the new defense and emergency offices. This Office is serving as the coordinating agency on matters bearing on foreign agricultural relations and as such is representing the Department on many interdepartmental and other committees. The Director has been designated as alternate for the Secretary of Agriculture on the newly organized Economic Defense Board.

To the work of this Board, the Office will contribute the specialized knowledge, experience, and judgment of its corps of regional and commodity experts, who have already prepared several confidential, as well as published, reports bearing on subjects related to defense.

ORGANIZATION AND FUNCTIONS OF THE OFFICE

Since the Department of Agriculture was organized in 1862, there has always been some unit responsible for securing and disseminating information on foreign production and consumption of agricultural products. Organizational changes have taken place over the years, and new responsibilities added to the research and reportorial functions. The Office of Foreign Agricultural Relations was set up in its present form July 1, 1939. A subsequent order of the Secretary of Agriculture delegated to the Office, in addition to research and investigation work, responsibility for coordinating the Department's foreign relations and representing the Department in all such matters.

The Office is organized in three divisions. Two are composed of staffs of specialists, one group dealing with commodities and the other with agricultural producing and consuming regions of the world. The third division was organized just before the beginning of the past fiscal year to facilitate the Department's program to promote inter-American agricultural relations.

DIVISION OF FOREIGN CROPS AND MARKETS

The Division of Foreign Crops and Markets, organized on a commodity basis, has the function of obtaining, collating, and preparing for dissemination information relating to crop and livestock production in foreign countries and to the demand abroad for exports of the

agricultural products of the United States. Current information is obtained in large part by collaboration of the Foreign Service of the United States, the facilities of which were made available for the service of United States agriculture in the reorganization of 1939. It is supplemented by reports of commodity specialists who are assigned to special duty abroad from time to time as circumstances require.

During the past year the Division has continued to supply the information regularly required of it and has also met demands arising out of the wars abroad and the National Defense Program at home.

A weekly war-reporting service for the Secretary of Agriculture has been maintained, with summary tables and analyses of current developments in foreign trade in cotton and other agricultural products. In May the Division was made the repository for confidential trade statistics from the Department of Commerce, publication of which was suspended as a defense measure. Special export data on commodities under export control are being prepared monthly for the Office of Agricultural Defense Relations.

To facilitate comparisons between commodities and with earlier periods, quantity indices of United States imports of agricultural products, the first of the kind available, have been published. The corresponding index of exports was revised and set up on a new and comparable base period.

The annual publication, *Foreign Trade of the United States in Agricultural Products*, issued as a supplement to *Foreign Crops and Markets*, has been expanded to include trade with the Latin American countries, and four new commodities have been added. Foreign-trade tables have been prepared as usual for inclusion in the statistical yearbook of the Department, *Agricultural Statistics*, and the *Statistical Abstract of the United States*. A foreign-trade table has been prepared monthly for publication in *The Agricultural Situation*. Monthly statistical reports on trade in various commodities have been sent to other divisions or agencies of the Department. A statistical report on imports, exports, reexports, and stocks of sugar has been sent monthly to the International Sugar Council. A monthly report on a number of agricultural products has also been prepared and sent to the International Institute of Agriculture at Rome. In addition, several monthly statistical reports on various commodities have been prepared for and sent to other nongovernmental agencies.

The compilation of statistics of exports and imports of agricultural products of the United States and their analysis at monthly intervals have been carried on as heretofore, but the increased volume of material and intensification of analysis have made it necessary to publish a monthly trade supplement to *Foreign Crops and Markets*, instead of the former monthly article appearing in each issue. Two such supplements have carried special detailed tables and analyses covering the effects of the war upon foreign agricultural trade.

The new foreign agricultural reporting schedule for the reorganized foreign service was inaugurated during the fiscal year. The first result was an increase in the volume of information from foreign countries, but disturbed world conditions are making it more difficult to obtain official or reliable data, a fact which increases demands on the background knowledge and judgment of the staff. Publication

of current information has continued in the weekly periodical, *Foreign Crops and Markets*.

A large amount of information has been prepared for other Government agencies on production, consumption, and supplies of crops and livestock in the countries of Latin America and the Orient.

The Division has substantially increased its contribution to the Department's annual, *Agricultural Statistics*, having contributed, in addition to certain international-trade tables, tables on world production of leading commodities. Staff members are working, as time permits, on basic-commodity studies in a series dealing with world production and international trade in the 15 or 20 years preceding the present wars—the underlying purpose being to supplement information of this kind in preparation for the period of post-war reconstruction. Two such studies were completed during the year, one dealing with pears and the other with cacao. Data developed in the latter study are finding immediate application in the negotiation of a world agreement on the allocation of cacao markets. Commodity studies are now in progress on corn, tobacco, wool, soybeans, oranges, and coffee.

The services of the senior staff members have been in active demand for assignments on numerous departmental and interdepartmental committees and conferences. These activities have included participation in the preparation for negotiation of the Argentine trade agreement; in the arrangement with Canada concerning limitations on imports of wheat; in the negotiations looking to an international wheat agreement; in the lend-lease arrangements with the United Kingdom for the delivery of tobacco and cotton; in the administration of the Western Hemisphere Coffee Agreement; and in the negotiations looking to the consummation of world agreements in cacao and cotton. A considerable amount of work has been done also for the Office of Export Control and for the Interdepartmental Committee on Postwar International Economic Relations. The Office has participated in the work of the departmental committees on fertilizer, fibers, naval stores, and transportation.

Foreign travel of commodity specialists included the completion of a tour of competitive cotton-producing countries of Latin America with a view to furthering preparation for the world cotton agreement, a study of Brazil nut production and marketing in the Amazon Valley, and an investigation of the apple situation in British Columbia, preparatory to an arrangement with the Canadian Government for the limitation of apple exports to the United States. Progress has been made toward publication of three bulletins dealing with fruit production and trade in Argentina, Brazil, and Chile, reporting material gathered by the staff fruit specialist.

A basic study of tobacco production and consumption in the Far East is now nearing completion, this work being the product of research, observation, and travel extending back over a number of years.

In collaboration with the Division of Foreign Agricultural Research, three special reviews have been made of the food and feed situation on the continent of Europe, each requiring collection of special information and painstaking analysis of the data available.

DIVISION OF FOREIGN AGRICULTURAL RESEARCH

Each of several specialists in the Division of Foreign Agricultural Research is responsible for continuing studies of the agriculture and agricultural trade of a specified region, such as the British Empire, central Europe, the Mediterranean Basin, the U. S. S. R., the Far East, Africa, the Caribbean area, and South America. In addition to these continuing studies, special surveys of the agriculture and trade of smaller areas are prepared from time to time for publication as bulletins or as articles in foreign agriculture. During the year seven such surveys were completed and published in Foreign Agriculture. These were:

- Agriculture in the Netherlands Indies.
- Agriculture in British Malaya.
- Agriculture and Food Control in Switzerland.
- Italian Agriculture Under Fascism and War.
- Wartime Aspects of Egyptian Agricultural Economy.
- Netherlands Agriculture and the War.
- Sweden's Agriculture and the War.

Other basic studies in progress but not completed at the close of the year were:

- Agriculture in French West Africa.
- Manchurian Agriculture Under Japanese Control.
- The Agriculture of Cuba.
- The Agriculture of Colombia.

Several shorter articles on phases of agriculture and trade in foreign countries have been prepared and published, and still other articles prepared outside the Division have been carefully reviewed and revised by members of the staff.

Members of the Division have devoted considerable time to the study of trade barriers and commodity controls, particularly in relation to the war. The subject matter of these studies included the trends in recent years toward quantitative restrictions on exports and imports, barter trade, exchange controls and clearing agreements, as affecting agricultural trade; price controls; wartime priorities in international trade; and studies of international commodity agreements. Articles have been published in Foreign Agriculture on Wartime Policies and Controls Affecting Agricultural Trade and Some Objectives and Problems of Price Control. Studies of the international agreements for the marketing of coffee, rubber, and tea have been published.

The Chief of the Division has been a member of the Interdepartmental Trade Agreements Committee and of the Committee for Reciprocity Information. Several staff members have served on country subcommittees of the Trade Agreements Committee. While no trade agreements were signed during the year, a great deal of work has been done by these committees in anticipation of future trade agreements. Particular attention has been given to the proposed trade agreement with Argentina, on which a public hearing was held in June 1941, and to the proposed supplementary trade agreement with Cuba, on which hearings were held in September 1941.

Because of the great importance of food supplies and nutrition in their relation to the war, the Division, in cooperation with the Division of Foreign Crops and Markets, has undertaken extensive studies of the food resources of the countries at war. Reports on the food

supplies of European countries have been made from time to time to the Secretary of Agriculture, and summaries of these reports have later been published in *Foreign Crops and Markets*. Particular attention has been given to rationing in European countries and to the qualitative as well as the quantitative adequacy of food supplies in the countries at war. Several articles on rationing and nutrition have been published in *Foreign Crops and Markets* and in *Foreign Agriculture*.

The Division has been consulted frequently by organizations outside the Department of Agriculture on matters relating to foreign agriculture and food resources in foreign countries. Among the agencies with which the Division has collaborated are: The League of Nations, the International Labor Office, and the Food Research Institute and the Bureau of Labor Statistics of the Department of Labor.

DIVISION OF LATIN AMERICAN AGRICULTURE

The Division of Latin American Agriculture was organized just before the beginning of the past fiscal year to coordinate and initiate research and other projects designed to strengthen relations between the United States and the other American republics, especially in the field of agriculture. The economies of most of the other American nations are based principally on agriculture. This fact makes agriculture of major importance to the economic defense of the Hemisphere and our good-neighbor policy.

The United States is seeking improved trade relations with the other American republics by cooperating in efforts to increase the output of agricultural products that can be marketed in the United States without competing with our own, and by participating in efforts to regulate trade in surplus and competitive crops. We are also providing technical and financial assistance to a number of countries in programs to raise living standards through increased production of subsistence crops and greater agricultural efficiency.

The Office of Foreign Agricultural Relations, through its Division of Latin American Agriculture, is generally responsible for coordination of these efforts and for relations with the other governments on behalf of the Department of Agriculture.

During the year great progress was made in laying the groundwork for the development of rubber production in the Western Hemisphere, a program for which the Congress provided \$500,000 in June 1940. Rubber, now obtained almost entirely from southeastern Asia, is the most important of the complementary crops which can be grown in the American Tropics. In cooperation with the Bureau of Plant Industry, four parties of scientists were sent out to conduct rubber surveys in Peru, Brazil, Ecuador, Colombia, Venezuela, Panama, Costa Rica, El Salvador, Nicaragua, Honduras, Guatemala, Mexico, Haiti, and the Dominican Republic. Subsequently, arrangements were made to transport large quantities of budwood and budded stumps of high-yielding clones of *Hevea* from the Philippines to Honduras and Haiti, where large multiplication stations have been established. From these stations the increase will be distributed to prospective rubber-producing areas. Concurrently, selected seed was obtained and transplanted by various means, including United States Army bombers, to lands selected as sites for national nurseries in 12 Latin

American countries. Research on diseases of the rubber trees and other problems has been carried on in Honduras, and extensive research is being conducted in cooperation with the Governments of Peru, Brazil, Costa Rica, and Mexico.

The most advanced step thus far taken in the development of rubber production in the Western Hemisphere has been the establishment of the Haitian-American Development Corporation; the Division has taken an active part in its organization. The Corporation was granted a loan of 5 million dollars by the Export-Import Bank to conduct a long-term program of agricultural rehabilitation in Haiti, chiefly the development of rubber production, and of such complementary tropical products as bananas, cacao, oils, spices, and fibers. The preliminary objective involves the planting of 7,500 acres to high-yielding rubber trees and an eventual planting of 70,000 acres.

An agricultural economic survey was undertaken at the request of the Cuban Government to map out a long-term program of economic development. Particular attention was given to development of irrigation works, development of noncompetitive export and subsistence crops, expansion and improvement of public roads, and establishment on an experimental scale of a system of aid to small farmers and unemployed farm labor. The findings of this survey served as the basis for the negotiation of a loan by the Export-Import Bank to the Cuban Government for public works and agricultural rehabilitation.

An agricultural survey was made in Mexico to determine, among other things, the possibilities of producing abaca or manila hemp. The same mission undertook a general agricultural survey of Honduras. Preparations were made during the latter part of the year to send a mission to Peru to study agricultural problems and ways of increasing trade with the United States.

The Division represents the Department of Agriculture in various interdepartmental committees studying the situation with respect to agricultural products of the Western Hemisphere. It has participated in the Department's activities growing out of those studies, including the Reciprocal Trade Agreements program as this applies to the Latin American republics. During the year the Inter-American Coffee Agreement was signed, an accomplishment resulting in part from these interdepartmental activities.

The Division has cooperated with the Inter-American Committee for the Dairy Industries, participating in the formulation of plans and providing research assistance. The Committee's objectives are to increase the consumption of dairy products in Latin America and to divert acreage currently devoted to surplus crops to the production of dairy products. The Division has worked closely with the American Society of Agricultural Sciences, the organization of which was recommended by the Eighth Scientific Congress for the promotion of agriculture and agricultural relations in the Western Hemisphere on a more scientific basis.

Comprehensive plans have been developed for the establishment of an institute of tropical agriculture in Latin America to train agricultural students and to engage in scientific research and experimentation with tropical and subtropical crops. The Division has worked closely with the American Commission of Tropical Agriculture, which is interested in various phases of tropical agricul-

ture, including the establishment of the tropical institute. The Office of the Coordinator of Inter-American Affairs has approved the project and will provide the necessary funds.

Other work during the year brought to the attention of American farmers the need for more active cooperation between the American republics in the field of agriculture. The Agricultural Adjustment Administration was aided in organizing Latin-American exhibits sent to and used by communities in agricultural districts in Pan-American celebrations. A schedule is being worked out to meet requests received for this exhibit from various communities.

The Latin-American Division cooperates in the publication of a monthly magazine, *Agriculture in the Americas*, written in popular style. This publication reviews each month important agricultural developments in Latin America, in addition to articles on production and trade relations.

During the year numerous representatives of Latin American governments and other visitors interested in agriculture were received and assisted in obtaining information on the administrative and research activities of the Department.

INFORMATION SECTION

The rapidly growing interest in foreign agriculture was reflected during the year in the increasing demand upon this Office for facts concerning agricultural production and trade in foreign countries. This Office has been the repository for such information for many years and has collected, classified, and filed this information. During the past year the procedure for handling this material has been improved and centralized in the Information Section so as to make the facts available promptly to meet the demands of other bureaus of the Department and of the Government. Likewise, the rapidly growing interest in international questions, and particularly those relating to Latin America, have added to the responsibilities of this Section. An increasing volume of reports originating in foreign offices of various branches of the Government that relate in any way to agriculture are classified and filed so as to be quickly available. Translators prepare drafts of reports in foreign languages where necessary in addition to maintaining a record of publications in foreign languages which are available either in the Office or in the Department Library.

The preparation of information on foreign agriculture for distribution in periodicals, through the press, and by radio has been increased during the year. The outlets through the Department Press and Radio Services have been maintained and expanded. Direct correspondence has increased and the distribution of periodicals likewise.

The coordination of information appearing in Office periodicals is made in the Information Section, which handles the final form of all material for public distribution, maintains circulation lists, and prepares replies to correspondence.

Foreign Crops and Markets, the weekly summary of current reports, is issued in mimeographed form, particularly for technical workers who are interested in up-to-date statistics and other information. About 2,400 copies were distributed weekly during the past year. Special supplements to this periodical make available

summaries such as that of foreign-agricultural trade with the United States for prompt distribution.

Foreign Agriculture, the monthly periodical, issued in printed form, presents special reviews of the agriculture of various countries, both on commodity and regional bases, in a form more suitable for permanent reference. This periodical is available on a subscription basis to the general public and for free distribution to libraries and technical workers under the usual Government restrictions. During the past year about 3,000 copies were distributed monthly.

Agriculture in the Americas, a monthly publication presenting both popular and technical information on agriculture in the Western Hemisphere, is available on a subscription basis. Although it was established only in January 1941, there is now a distribution of about 8,000 copies monthly.

The series of Foreign Service Reports has been continued during the year, 4 new titles having been added. This series makes available special studies and summaries more technical than the articles appearing in the periodicals and accumulated information in a form for prompt distribution to extension, educational, and research agencies.

The Director and members of the technical staff of the Office have presented addresses at a number of the principal agricultural meetings held during the year. These addresses, in mimeographed form, have provided an additional means of distributing the results of the work of the Office. During the fiscal year 15 such addresses have been made in many States, covering such subjects as foreign-agricultural policy and international problems relating to cotton, grain, and fruits.

